

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: John F. Acres et al.

#16

Serial No. 09/373,034

Examiner: Jessica Harrison

Confirmation No. 2149

Filed: August 11, 1999

Group Art Unit: 3714

For: **METHOD FOR OPERATING NETWORKED GAMING DEVICES**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

BEST AVAILABLE COPY

RESPONSE TO OFFICE ACTION

This amendment is responsive to the Office Action mailed April 17, 2003.

Claims 1-23 are pending in this reissue application.

First, with respect to the status of litigation, attached is a one-page copy of a Judgment in a Civil Case in the U.S. District Court for the District of Nevada, Case No. CV-S-97-1883-EJW (LRL) and a three-page Special Verdict Form from the same case. The jury found that the accused infringer, Mikohn Gaming Corporation, failed to prove by clear and convincing evidence that claim 1 of U.S. Patent No. 5,655,961 was invalid. This was the only claim of the '961 patent that was submitted to the jury for a validity decision. This judgment was entered March 29, 2001.

Second, concerning Consent of Assignee, applicant submits herewith a consent of Acres Gaming, Inc. Also attached are photocopies of documents recorded in the U.S. Patent and Trademark Office at Reel 011190, Frames 0933-0961. They comprise two documents that each grant security interests in the patent that is the subject of this reissue application. Rule 172 requires that a reissue application be accompanied by "the written consent of all assignees, if any, owning an undivided interest in the patent . . ." As can be seen, paragraph 2 in each of the attached recorded agreements merely grants a security interest in the patent. Furthermore, paragraph 4 in each of the agreements provides that the debtor (Acres Gaming)

"shall be permitted to control and manage the Patents . . . including the right to exclude others from making, using or selling items covered by the Patents . . . and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured."

Because there is no uncured event of default, the secured party in each of the enclosed agreements does not own an undivided interest in the patent and therefore need not submit a written consent.

Applicant submits the original copy of US Patent No. 5,655,961 with this application.

For the foregoing reasons, reconsideration and allowance of claims 1-23 of the application is solicited. The Examiner is encouraged to telephone the undersigned at (503) 222-3613 if it appears that an interview would be helpful in advancing the case.

Respectfully submitted,

MARGER JOHNSON & McCOLLOM, P.C.



Alan T. McCollom
Reg. No. 28,881

MARGER JOHNSON & McCOLLOM
1030 SW Morrison Street
Portland, OR 97205
(503) 222-3613

REISSUE APPLICATION: CONSENT OF ASSIGNEE; STATEMENT OF NON-ASSIGNMENT

Docket Number (Optional)
4164-133

This is part of the application for a reissue patent based on the original patent identified below.

Name of Patentee(s)

John F. Acres et al.

Patent Number

5,655,961

Title of Invention

METHOD FOR OPERATING NETWORKED GAMING DEVICES

Date Patent Issued
August 12, 1997

1. ☒ Filed herein is a statement under 37 CFR 3.73(b). (Form PTO/SB/96)
2. ☐ Ownership of the patent is in the inventor(s), and no assignment of the patent is in effect.

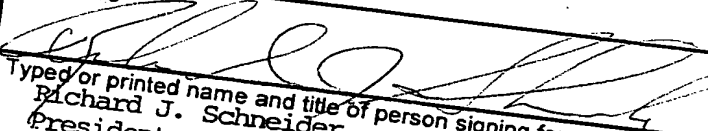
One of boxes 1 or 2 above must be checked. If multiple assignees, complete this form for each assignee. If box 2 is checked, skip the next entry and go directly to "Name of Assignee".

The written consent of all assignees and inventors owning an undivided interest in the original patent is included in this application for reissue.

The assignee(s) owning an undivided interest in said original patent is/are Acres Gaming, Inc. and the assignee(s) consents to the accompanying application for reissue.

Name of assignee/inventor (if not assigned)

Signature


Typed or printed name and title of person signing for assignee (if assigned)
Richard J. Schneider
President

Date

10/15/03

This collection of information is required by 37 CFR 1.172. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 6 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

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ENTERED AND
SERVED

MAR 29 2001

CLERK U.S. DISTRICT COURT (5/85) Judgment in a Civil Case ©
DISTRICT OF NEVADA

MAR 29 10 06 AM '01

BY [Signature] UNITED STATES DISTRICT COURT

DISTRICT OF

NEVADA

MIKOHN GAMING CORPORATION, ETAL,

JUDGMENT IN A CIVIL CASE

Plaintiffs

V.

CV-S-97-1883-EJW (LRL)

ACRES GAMING, INC., ETAL,

Defendants.

X Jury Verdict. This action came before the jury for a trial by the Court. The issues have been tried and the jury has rendered it's special verdict.

Decision by Court. This action came before the Court and a decision has been rendered.

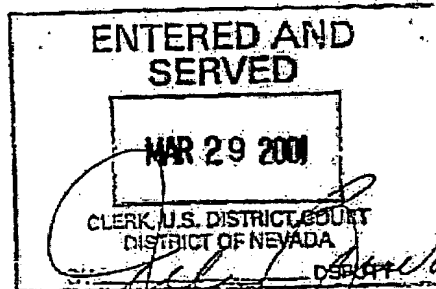
IT IS ORDERED AND ADJUDGED that judgment is entered against Mikohn Gaming Corporation, et al and in favor of Acres Gaming, Inc., in the amount of \$1,500,000.00 for damages.

March 29, 2001
Date

LANCE S. WILSON
Clerk

[Signature]
(By) Deputy Clerk,

507



RECEIVED
MAR 29 4 42 PM '01
[Signature]

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

ACRES GAMING INC.,

Plaintiff,

v.

MIKOHN GAMING CORPORATION, and
CASINO DATA SYSTEMS,

Defendants.

NO. CV-S-98-1462-EJW (LRL)
(Base File)

NO. CV-S-97-1383-EJW (LRL)
(Base File)

SPECIAL VERDICT FORM

506

We, the jury, find as follows:

VALIDITY

1. U.S. Patent No. 5,655,961

Has Mikohn proven by clear and convincing evidence that claim 1 of U.S. Patent No. 5,655,961 is invalid?

Yes _____

No X

2. U.S. Patent No. 5,752,882

Has Mikohn proven by clear and convincing evidence that the following claims of U.S. Patent No. 5,752,882 are invalid?

Claim 10: Yes _____

No X

Claim 11: Yes _____

No X

3. U.S. Patent No. 5,820,459

Has Mikohn proven by clear and convincing evidence that claim 1 of U.S. Patent No. 5,820,459 is invalid?

Yes _____

No X

4. U.S. Patent No. 5,836,817

Has Mikohn proven by clear and convincing evidence that the following claims of U.S. Patent No. 5,836,817 are invalid?

Claim 1: Yes _____

No X

Claim 21: Yes _____

No X

Claim 24: Yes _____

No X

Claim 29: Yes _____

No X

1 **INFRINGEMENT**

2 5. U.S. Patent No. 5,655,961

3
4 Has Acres proven by a preponderance of the evidence that claim 1 of
5 U.S. Patent No. 5,655,961 has been infringed by Mikohn?

6 Yes X

No

7
8 6. U.S. Patent No. 5,836,817

9 Has Acres proven by a preponderance of the evidence that the following
10 claims of U.S. Patent No. 5,836,817 have been infringed by Mikohn?

11 Claim 1: Yes X

No

12 Claim 21: Yes X

No

13 Claim 24: Yes X

No

14 Claim 29: Yes X

No

15
16 7. If you have found any claim to be both valid and infringed, state whether
17 the infringement was willful.

18 Yes

No X

19
20 8. If you have found any claim to be both valid and infringed, state the amount of
21 Acres' damages:

22 \$ 1,500,000.

23
24
25
26 Date: 3/27/01

Signature

Foreperson

FORM PTO-1619A
Rev. 09/20/99
CMB: 1001-0027

11-03-2000



101504226

U.S. Department of Commerce
Patent and Trademark Office
PATENT

RECORDATION FORM COVER SHEET

PATENTS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID# _____
- ☐ Correction of PTO Error
Reel # _____ Frame # _____
- ☐ Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- ☐ Assignment ☒ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☐ Other _____

U.S. Government
(For Use ONLY by U.S. Government Agencies)☐ Departmental File ☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Name (line 1) Acres Gaming, Incorporated

Execution Date
Month Day Year
07 21 2000

Name (line 2) a Nevada corporation

Second Party

Name (line 1) AGI Distribution, Inc.

Execution Date
Month Day Year
07 21 2000

Name (line 2) a Nevada corporation

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1) Wells Fargo Business Credit, Inc.

Name (line 2) a Minnesota corporation

☐ If document to be recorded
is an assignment and the
receiving party is not
located in the United
States, an appointment
of a domestic
representative is attached.
(Designation must be a
separate document from
Assignment.)

Address (line 1) 100 W. Washington Street, 7th Floor

Address (line 2) MAC S4101-076

Address (line 3) Phoenix

Arizona, U.S.A.

85003

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name _____

Address (line 1) _____

Address (line 2) _____

Address (line 3) _____

Address (line 4) _____

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (2001-0027), Washington, D.C. 20503. See CMB Information Collection Budget Package 1001-0027, Patent and Trademark Assignment Practices. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

PATENT
REEL: 011190 FRAME: 0933

FORM PTO-1619B
Expires 08/30/00
Date 08/1/00

Page 2

U.S. Department of Commerce
Patent and Trademark Office
PATENT

Correspondent Name and Address: Area Code and Telephone Number 602-257-7422 x7961

Name Carol Dahlberg, Gust Rosenfeld, PLC

Address (line 1) 201 N. Central Ave., Suite 3300

Address (line 2) Phoenix, Arizona 85073-3300

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. 11

Application Number(s) or Patent Number(s)

☒ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property):

Patent Application Number(s)

Patent Number(s)

08998285

09425544

09105981

6043615

5854542

5702304

60083302

08843411

09075153

6008784

5836817

5655961

09134285

08922046

08672217

5876284

5820459

5752882

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named enclosing inventor. Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

only if a U.S. Application Number

has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved. 29

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

1160.00

Method of Payment:

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

500.520

Authorization to charge additional fees:

Yes

No

☒

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Carol M. Dahlberg

Name of Person Signing

Carol M. Dahlberg

Signature

August 14, 2000

Date

PATENT
REEL: 011190 FRAME: 0934

FORM PTO-1619C
Revised 08/20/98
TMB 0891-0027

RECORDATION FORM COVER SHEET CONTINUATION PATENTS ONLY

U.S. Department of Commerce
Patent and Trademark Office
PATENT

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Name (line 1)		Execution Date Month Day Year
Name (line 2)		
Name (line 1)		Execution Date Month Day Year
Name (line 2)		
Name (line 1)		Execution Date Month Day Year
Name (line 2)		

Receiving Party(ies)

☐ Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1)		<input type="checkbox"/> If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)	
Name (line 2)			
Address (line 1)			
Address (line 2)			
Address (line 3)	City	State/Country	Zip Code
Name (line 1)		<input type="checkbox"/> If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)	
Name (line 2)			
Address (line 1)			
Address (line 2)			
Address (line 3)	City	State/Country	Zip Code

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)			Patent Number(s)		
09036518	09086964		5741183		
60099921	09122437				
09245048	09134598				
09104145	60131453				
08865747	60151501				

PATENT
REEL: 011190 FRAME: 0935

PATENT AND TRADEMARK SECURITY AGREEMENT

This Agreement, dated as of July 21, 2000 is made by and between ACRES GAMING INCORPORATED, a Nevada corporation, also known as Acres Gaming Inc. and Acres Gaming, Inc., and AGI DISTRIBUTION, INC., a Nevada corporation, whose address and principal place of business is 7115 Amigo Street, Suite 150, Las Vegas, Nevada 89119 (collectively, jointly and severally, the "Debtor"), and WELLS FARGO BANK MINNESOTA, NATIONAL ASSOCIATION, whose address and principal place of business is Sixth Street and Marquette Avenue, Minneapolis, Minnesota 55479 (the "Secured Party").

Recitals

The Debtor and the Secured Party have entered into a Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party may now or hereafter make certain loans or other financial accommodations to or for the account of the Debtor.

As a further condition to making any loan or other financial accommodation under the Credit Agreement or otherwise, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with any Loan Document (as defined in the Credit Agreement) which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Obligations (as defined in the Credit Agreement).

"Patents" means all of the Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Trademarks" means all of the Debtor's right, title and interest in and to trademarks, service marks, collective membership marks, the respective goodwill associated with each, and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest, with power of sale to the extent permitted by law (the "Security Interest"), in the Patents and in the Trademarks to secure payment of the Obligations.

3. Representations, Warranties and Agreements. The Debtor hereby represents, warrants and agrees as follows:

(a) *Existence; Authority.* The Debtor is a corporation, having full power to and authority to make and deliver this Agreement. The execution, delivery and performance of this Agreement by the Debtor have been duly authorized by all necessary action of the Debtor's board of directors, and if necessary its stockholders, and do not and will not violate the provisions of, or constitute a default under, any presently applicable law or its articles of incorporation or bylaws or any agreement presently binding on it. This Agreement has been duly executed and delivered by the Debtor and constitutes the Debtor's lawful, binding and legally enforceable obligation. The correct name of the Debtor is ACRES GAMING INCORPORATED, also known as ACRES GAMING INC. and ACRES GAMING, INC. The authorization, execution, delivery and performance of this Agreement do not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

(b) *Patents.* Exhibit A accurately lists all Patents owned or controlled by the Debtor as of the date hereof, accurately reflects the existence and status of registrations pertaining to the Patents as of the date hereof, and accurately lists all applications for patents pending on the date hereof.

(c) *Trademarks.* Exhibit B accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all registrations pertaining thereto as of the date hereof.

(d) *Title.* The Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all security interests, liens and encumbrances, except the Security Interest. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all security interests, liens and encumbrances, except the Security Interest, and (ii) will keep all Patents and Trademarks free and clear of all security interests, liens and encumbrances except the Security Interest.

(e) *No Sale.* The Debtor will not sell or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party's prior written consent.

(f) *Defense.* Unless otherwise agreed by Secured Party, the Debtor will at its own expense, and using its best efforts, protect and defend the Patents and Trademarks against all claims or demands of all persons other than the Secured Party.

(g) *Maintenance.* The Debtor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to register and all affidavits and renewals possible with respect to issued registrations. The Debtor covenants that it will not abandon nor fail to pay any

maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit in support thereof, without first providing the Secured Party: (i) sufficient written notice, as provided in the Credit Agreement, to allow the Secured Party to timely pay any such maintenance fees or annuity which may become due on any of said Patents or Trademarks, or to file any affidavit with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit, should such be necessary or desirable. Debtor will diligently pursue all pending applications for patents and will take all reasonable actions to insure issuance thereof.

(h) **Secured Party's Right to Take Action.** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure.

(i) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Obligations.

(j) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (h) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time during a Default Period under the Credit Agreement to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations (as defined therein).

(k) **Intent to Use Applications.** Debtor has or may have in the future considered the adoption of trademarks or service marks for which it has or will file applications for registration with the United States Patent and Trademark Office under Section 1 (b) of the Trademark Act ("intent to use"). The trademarks for which applications are so filed, and the

applications filed in connection therewith are not Trademarks and are not subject to the security interest created herein. Debtor agrees that it will be an Event of Default under this Agreement if at any time any other person acquires any interest, including a security interest, in the trademarks or the applications. Debtor further agrees that upon issuance by the United States Patent and Trademark Office of any registration of any such marks, the marks so registered at that time shall become Trademarks under this Agreement and shall be subject to the security interest granted hereunder. Debtor shall use its best efforts to notify Secured Party of the issuance of any such registration, and shall, unless otherwise agreed by Secured Party, execute any document required at that time to perfect the security interest in such marks, and failure to do so shall be an Act of Default under this Agreement.

4. Debtor's Use of the Patents and Trademarks. The Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it, or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement has been duly and validly authorized by all necessary action, corporate or otherwise. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to

apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Arizona without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above:

ACRES GAMING INCORPORATED

By Reed M. Stewart

Its SVP, CFO, Secretary & Treasurer

AGI DISTRIBUTION, INC., a Nevada corporation

By Reed M. Stewart

Its Secretary & Treasurer

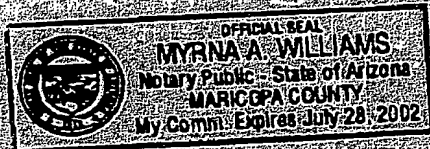
WELLS FARGO BANK MINNESOTA,
NATIONAL ASSOCIATION

By *R. P.*
Its Assistant Vice President

STATE OF Arizona
COUNTY OF Maricopa

The foregoing instrument was acknowledged before me this 21 day of July, 2000, by Reed M. Alewel, the SVP, CFO, Sec. & Tr. of Acres Gaming Incorporated, a Nevada corporation, on behalf of the corporation.

(Seal and Expiration Date)

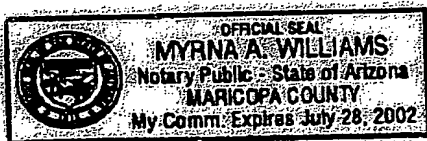


Myrna A. Williams
Notary Public

STATE OF Arizona
COUNTY OF Maricopa

The foregoing instrument was acknowledged before me this 21 day of July, 2000, by Reed M. Alewel, the Sec. & Tr. of AGI Distribution, Inc., a Nevada corporation, on behalf of the corporation.

(Seal and Expiration Date)



Myrna A. Williams
Notary Public

STATE OF MINNESOTA

COUNTY OF HENNEPIN

July The foregoing instrument was acknowledged before me this 24 day of JULY, 2000, by DETTI BEUGEN, a ASSISTANT VICE PRESID of Wells Fargo Bank Minnesota, National Association, on behalf of the association.

(Seal and Expiration Date)

Jenell F. Nallick
Notary Public

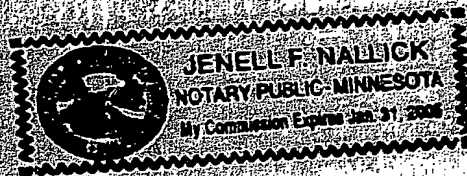


EXHIBIT A

UNITED STATES ISSUED PATENTS

<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
Flashing and dimming fluorescent lamps for a gaming device	6,043,615	March 28, 2000
Electronic display with curved face	6,008,784	December 28, 1999
Method and apparatus for implementing a jackpot bonus on a network of gaming devices	5,876,284	March 2, 1999
Flashing and dimming fluorescent lamps for a gaming device	5,854,542	December 29, 1998
Method and apparatus for operating networked gaming devices	5,836,817	November 17, 1998
Method and apparatus for operating networked gaming devices	5,820,459	October 13, 1998
Method and apparatus for operating networked gaming devices	5,702,304	December 30, 1997
Method for operating networked gaming devices	5,655,961	August 12, 1997
Method and apparatus for operating networked gaming devices	5,752,882	May 19, 1998
Method and apparatus for operating networked gaming devices	5,741,183	April 21, 1998

FOREIGN ISSUED PATENTS

<u>Title</u>	<u>Country</u>	<u>Patent Number</u>	<u>Issue Date</u>
Networked Gaming Devices Using Bonus Token	Republic of South Africa	SA 99/2946	December 29, 1999
Method for Transferring Credit from One Gaming Machine to Another	Republic of South Africa	SA 99/2943	December 29, 1999
Method and Apparatus for Promoting Play on a Network of Gaming Devices	Republic of South Africa	SA 98/03158	October 27, 1999
Method and Apparatus for Implementing in Video a Secondary Game Responsive to Player Interaction with a Primary Game	Republic of South Africa	SA 99/2942	December 29, 1999
A Method for Crediting a Player of an Electronic Gaming Device	Republic of South Africa	SA 99/2945	December 29, 1999

PATENTS PENDING

<u>Title</u>	<u>Serial Number</u>	<u>Date Filed</u>
Method and Apparatus for Operating Networked Gaming Devices	08/998,285	December 24, 1997
Bonus Token	60/083,302	April 28, 1998
Method for Transferring Credit from One Gaming Machine to Another	09/134,285	August 14, 1998
Method and Apparatus for Promoting Play on a Network of Gaming Devices	09/425,544	October 22, 1999
Method and Apparatus for Promoting Play on a Network of Gaming Devices	08/843,411	April 15, 1997
Computer Network for Controlling and Monitoring Gaming Devices	08/922,046	September 2, 1997
Method for Awarding Variable Bonus Awards to Gaming Machines Over a Network	09/105,981	June 26, 1998
Operation of Gaming Machines in a Linked Bonus Prize Winning Mode	09/075,153	May 8, 1998
Method for Providing Incentive to Play Gaming Devices Connected by a Network to a Host Computer	08/672,217	June 25, 1996
Video Puzzle Promotion for Networked Gaming Devices	09/036,518	March 6, 1998
Dynamic Threshold for Pool-Based Bonus Promotions in Electronic Gaming Systems	60/099,921	September 11, 1998
Dynamic Threshold for Pool-Based Bonus Promotions in Electronic Gaming Systems	09/245,048	February 4, 1999
Method and Apparatus Implementing in Video a Secondary Game Responsive to Player Interaction with a Primary Game	09/104,145	June 23, 1998
Gaming Device Sound System	08/865,747	May 30, 1997
Method and Apparatus for Controlling Cost of Playing Electronic Gaming Device	09/086,964	May 29, 1998

<u>Title</u>	<u>Serial Number</u>	<u>Date Filed</u>
Networked Credit Adjust Meter for Electronic Gaming Machines	09/122,437	July 24, 1998
A Method for Crediting a Play of an Electronic Gaming Device	09/134,598	August 14, 1998
Electronic Gaming Machine with Loyalty Bonus Display	60/131,453	April 28, 1999
Methods of Problem Gaming Mitigating	60/151,501	August 30, 1999

EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS
AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
PERSONAL PROGRESSIVES	2014409	November 5, 1996
MATCH PLAY	2145202	March 17, 1998
PROMAN	2152917	April 21, 1998
SLOTMAN	2155419	May 5, 1998
BONUSMAN	2173495	July 14, 1998
HURRICANE ZONE	2189674	September 15, 1998
ACRES GAMING	2206508	December 1, 1998
TRACKMAN	2237064	April 6, 1999
SUPER REELS	2313114	February 1, 2000
LUCKY COIN	2333700	March 21, 2000
MONEY MINT	2343594	April 18, 2000
BONUS ENGINE	2353201	May 30, 2000

APPLICATIONS

<u>Mark</u>	<u>Serial Number</u>	<u>Filing Date</u>
ADD 'EM UP BONUS	75794348	September 8, 1999
ACRES	75623357	January 19, 1999
ACRES BONUSING SYSTEM	75676087	April 5, 1999

B-1

SKR:maw 352329.05 07/17/2000

PATENT
REEL: 011190 FRAME: 0946

COLLECTIVE MEMBERSHIP MARKS

NONE

UNREGISTERED MARKS

MUSICAL CHERRIES

PICK A PRIZE

GUARDIAN

CHASE THE ACE

FAME OR FORTUNE

STARS AND STRIPES

STARS OR STRIPES

COINLESS TRANSIT

PROPHET

MERLIN

APPRECIATION TIME

CELEBRATION PRIZES

FANTASY

POINTPLAY

RANDOM RICHES

RETURNPLAY

WELCOME BACK

WIZARD

XTRA CREDIT

MONEY BAGS

FREE FOR ALL

BIG SPIN BONUS

B-2

KR:maw 352329.05 07/17/2000

RECORDED: 08/24/2000

PATENT
REEL: 011190 FRAME: 0947

FORM PTO-1619A
Expires 08/30/96
OMB 0831-0027

11-03-2000

**U.S. Department of Commerce
Patent and Trademark Office
PATENT**

101 504227

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

8. 24.00

☐ New 0 5 1 00

☐ Resubmission (Non-Re-ordination)

☐ Document ID#

☐ Correction of PTO Error

Reel # Frame #

☐ Corrective Document

Reel # Frame #

Conveyance Type

<input type="checkbox"/> Assignment	<input checked="" type="checkbox"/> Security Agreement
<input type="checkbox"/> License	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Merger	<input type="checkbox"/> Other <input type="text"/>

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name (line 1)	Acres Gaming, Incorporated
---------------	----------------------------

Examination Date
Month Day Year
07 21 2000

Name (line 2) a Nevada corporation

Execution Date
Month Day Year

Second Party

Name (Last, F) AGI Distribution, Inc.

Name (line 2) a Nevada corporation

Receiving Party

Mark if additional names of receiving parties attached

Name (line 1) Wells Fargo Bank, Minnesota, National Association

Name Mr. J. H. Smith

Address #1 Sixth Street and Marquette Avenue

Address line 2

Address line 3 **Minneapolis**

Minnesota

55479

If document to be restricted is an assignment and the resulting party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Naïveté

Address (line 1)

Address line 2

Address line 3

Address: 5450

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Policy, Washington, D.C. 20593, D.C. 20521 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0431-0007), Washington, D.C. 20503. Send OMB, Information Collection Budget Package 0431-0007, Patent and Trademark Assignment Form. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

PATENT
REEL: 011190 FRAME: 0948

FORM PTO-1619B
Expires 06/2000
OMB 0601-0027

Page 2

U.S. Department of Commerce
Patent and Trademark Office
PATENT

Correspondent Name and Address

Area Code and Telephone Number 7602-257-7422 x7961

Name Carol Dahlberg, Gust Rosenfeld, PLC

Address (line 1) 201 N. Central Ave., Suite 3300

Address (line 2) Phoenix, Arizona 85073-3300

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document
including any attachments.

11

Application Number(s) or Patent Number(s)



Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property)

Patent Application Number(s)

08998285

09425544

09105981

6043615

5854542

5702304

60083302

08842411

09075153

6008784

5836817

5655961

09134285

08922046

08672217

5876284

5820459

5752882

If this document is being filed together with a new Patent Application, enter the date the patent application was
signed by the first named executing inventor

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

only if a U.S. Application Number

has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved:

29

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 1160.00

Method of Payment:

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Enclosed ☒Deposit Account ☒

Deposit Account Number:

500520

Authorization to charge additional fees:

Yes ☐No ☒

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any
attached copy is a true copy of the original document. Charges to deposit account are authorized, as
indicated herein.

Carol M. Dahlberg

Name of Person Signing

Signature

August 14, 2000

Date

Feb-25-00 02:08P

FORM PTO-1619C
Expires 06/30/02
TMA 0034-0037RECORDATION FORM COVER SHEET
CONTINUATION
PATENTS ONLYU.S. Department of Commerce
Patent and Trademark Office
PATENT

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Name (line 1)

Name (line 2)

Name (line 1)

Name (line 2)

Name (line 1)

Name (line 2)

Execution Date
Month Day YearExecution Date
Month Day YearExecution Date
Month Day Year

Receiving Party(ies)

☐ Mark if additional names of receiving parties attached

Enter additional Receiving Parties

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number. (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

09036518

09086964

60099921

09122437

09245048

09134598

09104145

60131453

08865747

60151501

Patent Number(s)

5741183

PATENT

REEL: 011190 FRAME: 0950

PATENT AND TRADEMARK SECURITY AGREEMENT

This Agreement, dated as of July 24, 2000 is made by and between ACRES GAMING INCORPORATED, a Nevada corporation, also known as Acres Gaming Inc. and Acres Gaming, Inc., and AGI-DISTRIBUTION, INC., a Nevada corporation, whose address and principal place of business is 7115 Amigo Street, Suite 150, Las Vegas, Nevada 89119 (collectively, jointly and severally, the "Debtor"), and WELLS FARGO BUSINESS CREDIT, INC., a Minnesota corporation, whose address and principal place of business is 100 West Washington Street, 7th Floor, MAC S4101-076, Phoenix, AZ 85003 (the "Secured Party").

Recitals

The Debtor and the Secured Party have entered into a Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party may now or hereafter make certain loans or other financial accommodations to or for the account of the Debtor.

As a further condition to making any loan or other financial accommodation under the Credit Agreement or otherwise, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, the parties hereby agree as follows:

1. **Definitions.** All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with any Loan Document (as defined in the Credit Agreement) which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Obligations (as defined in the Credit Agreement).

"Patents" means all of the Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Trademarks" means all of the Debtor's right, title and interest in and to trademarks, service marks, collective membership marks, the respective goodwill associated with each, and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. **Security Interest.** The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest, with power of sale to the extent permitted by law (the "Security Interest"), in the Patents and in the Trademarks to secure payment of the Obligations.

3. **Representations, Warranties and Agreements.** The Debtor hereby represents, warrants and agrees as follows:

(a) **Existence, Authority.** The Debtor is a corporation, having full power to and authority to make and deliver this Agreement. The execution, delivery and performance of this Agreement by the Debtor have been duly authorized by all necessary action of the Debtor's board of directors, and if necessary its stockholders, and do not and will not violate the provisions of, or constitute a default under, any presently applicable law or its articles of incorporation or bylaws or any agreement presently binding on it. This Agreement has been duly executed and delivered by the Debtor and constitutes the Debtor's lawful, binding and legally enforceable obligation. The correct name of the Debtor is ACRES GAMING INCORPORATED, also known as ACRES GAMING INC. and ACRES GAMING, INC. The authorization, execution, delivery and performance of this Agreement do not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

(b) **Patents.** Exhibit A accurately lists all Patents owned or controlled by the Debtor as of the date hereof, accurately reflects the existence and status of registrations pertaining to the Patents as of the date hereof, and accurately lists all applications for patents pending on the date hereof.

(c) **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all registrations pertaining thereto as of the date hereof.

(d) **Title.** The Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all security interests, liens and encumbrances, except the Security Interest. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all security interests, liens and encumbrances, except the Security Interest, and (ii) will keep all Patents and Trademarks free and clear of all security interests, liens and encumbrances except the Security Interest.

(e) **No Sale.** The Debtor will not sell or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party's prior written consent.

(f) **Defense.** Unless otherwise agreed by Secured Party, the Debtor will at its own expense, and using its best efforts, protect and defend the Patents and Trademarks against all claims or demands of all persons other than the Secured Party.

(g) **Maintenance.** The Debtor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to register and all affidavits and renewals possible with respect to issued registrations. The Debtor covenants that it will not abandon nor fail to pay any

maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit in support thereof, without first providing the Secured Party: (i) sufficient written notice, as provided in the Credit Agreement, to allow the Secured Party to timely pay any such maintenance fees or annuity which may become due on any of said Patents or Trademarks, or to file any affidavit with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit, should such be necessary or desirable. Debtor will diligently pursue all pending applications for patents and will take all reasonable actions to insure issuance thereof.

(h) **Secured Party's Right to Take Action.** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure.

(i) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Obligations.

(j) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (h) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time during a Default Period under the Credit Agreement to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3; or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations (as defined therein).

(k) **Intent to Use Applications.** Debtor has or may have in the future considered the adoption of trademarks or service marks for which it has or will file applications for registration with the United States Patent and Trademark Office under Section 1 (b) of the Trademark Act ("intent to use"). The trademarks for which applications are so filed, and the

applications filed in connection therewith are not Trademarks and are not subject to the security interest created herein. Debtor agrees that it will be an Event of Default under this Agreement if at any time any other person acquires any interest, including a security interest, in the trademarks or the applications. Debtor further agrees that upon issuance by the United States Patent and Trademark Office of any registration of any such marks, the marks so registered at that time shall become Trademarks under this Agreement and shall be subject to the security interest granted hereunder. Debtor shall use its best efforts to notify Secured Party of the issuance of any such registration, and shall, unless otherwise agreed by Secured Party, execute any document required at that time to perfect the security interest in such marks, and failure to do so shall be an Act of Default under this Agreement.

4. Debtor's Use of the Patents and Trademarks The Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default") (a) an Event of Default, as defined in the Credit Agreement, shall occur, or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it, or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous This Agreement has been duly and validly authorized by all necessary action, corporate or otherwise. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to

apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Arizona without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above:

ACRES GAMING INCORPORATED

By Reed M. Newel
Its SVP, CFO, Secretary & Treasurer

AGI DISTRIBUTION, INC., a Nevada corporation

By Reed M. Newel
Its Secretary & Treasurer

WELLS FARGO BUSINESS CREDIT, INC.

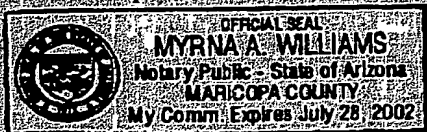
By Ceph Maschke
Its Assistant Vice President

STATE OF Arizona

COUNTY OF Maricopa

The foregoing instrument was acknowledged before me this 21 day of July, 2000, by Reed M. Alewel, the SVP, CFO, Sec. & Tr. of Acres Gaming Incorporated, a Nevada corporation, on behalf of the corporation.

(Seal and Expiration Date)



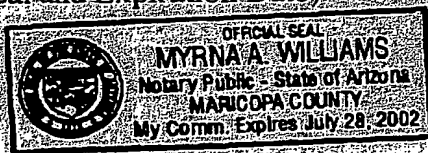
Myrna A. Williams
Notary Public

STATE OF Arizona

COUNTY OF Maricopa

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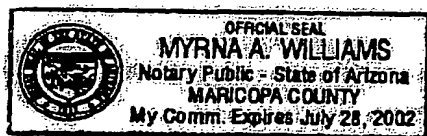
Myrna A. Williams
Notary Public

STATE OF Arizona

COUNTY OF Maricopa

The foregoing instrument was acknowledged before me this 21 day of July, 2000, by Clifton Moschick, a Assist. V.P. of Wells Fargo Business Credit, Inc., a Minnesota corporation, on behalf of the corporation.

(Seal and Expiration Date)



Myrna A. Williams
Notary Public

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Method for Transferring Credit from One Gaming Machine to Another	09/134,285	August 14, 1998
Method and Apparatus for Promoting Play on a Network of Gaming Devices	09/425,544	October 22, 1999
Method and Apparatus for Promoting Play on a Network of Gaming Devices	08/843,411	April 15, 1997
Computer Network for Controlling and Monitoring Gaming Devices	08/922,046	September 2, 1997
Method for Awarding Variable Bonus Awards to Gaming Machines Over a Network	09/105,981	June 26, 1998
Operation of Gaming Machines in a Linked Bonus Prize Winning Mode	09/075,153	May 8, 1998
Method for Providing Incentive to Play Gaming Devices Connected by a Network to a Host Computer	08/672,217	June 25, 1996
Video Puzzle Promotion for Networked Gaming Devices	09/036,518	March 6, 1998
Dynamic Threshold for Pool-Based Bonus Promotions in Electronic Gaming Systems	60/099,921	September 11, 1998
Dynamic Threshold for Pool-Based Bonus Promotions in Electronic Gaming Systems	09/245,048	February 4, 1999
Method and Apparatus Implementing in Video a Secondary Game Responsive to Player Interaction with a Primary Game	09/104,145	June 23, 1998
Gaming Device Sound System	08/865,747	May 30, 1997
Method and Apparatus for Controlling Cost of Playing Electronic Gaming Device	09/086,964	May 29, 1998

<u>Title</u>	<u>Serial Number</u>	<u>Date Filed</u>
Networked Credit Adjust Meter for Electronic Gaming Machines	09/122,437	July 24, 1998
A Method for Crediting a Play of an Electronic Gaming Device	09/134,598	August 14, 1998
Electronic Gaming Machine with Loyalty Bonus Display	60/131,453	April 28, 1999
Methods of Problem Gaming Mitigating	60/151,501	August 30, 1999

EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS
AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
PERSONAL PROGRESSIVES	2014409	November 5, 1996
MATCH PLAY	2145202	March 17, 1998
PROMAN	2152917	April 21, 1998
SLOTMAN	2155419	May 5, 1998
BONUSMAN	2173495	July 14, 1998
HURRICANE ZONE	2189674	September 15, 1998
ACRES GAMING	2206508	December 1, 1998
TRACKMAN	2237064	April 6, 1999
SUPER REELS	2313114	February 1, 2000
LUCKY COIN	2333700	March 21, 2000
MONEY MINT	2343594	April 18, 2000
BONUS ENGINE	2353201	May 30, 2000

APPLICATIONS

<u>Mark</u>	<u>Serial Number</u>	<u>Filing Date</u>
ADD 'EM UP BONUS	75794348	September 8, 1999
ACRES	75623357	January 19, 1999
ACRES BONUSING SYSTEM	75676087	April 5, 1999

COLLECTIVE MEMBERSHIP MARKS

NONE

UNREGISTERED MARKS

MUSICAL CHERRIES

PICK A PRIZE

GUARDIAN

CHASE THE ACE

FAME OR FORTUNE

STARS AND STRIPES

STARS OR STRIPES

COINLESS TRANSIT

PROPHET

MERLIN

APPRECIATION TIME

CELEBRATION PRIZES

FANTASY

POINTPLAY

RANDOM RICHES

RETURNPLAY

WELCOME BACK

WIZARD

XTRA CREDIT

MONEY BAGS

FREE-FOR-ALL

BIG SPIN BONUS

B-2

7/17/2000

RECORDED: 08/24/2000

PATENT
REEL: 011190 FRAME: 0961

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